

**VietJet Aviation Joint Stock Company**

Separate Financial Statements

Quarter IV 2019

## **VietJet Aviation Joint Stock Company Corporate Information**

**Business Registration Certificate No.** 0103018458 23 July 2007

**Corporate Registration Certificate No.** 0102325399 19 April 2011

The Company's Corporate Registration Certificate has been amended several times, the most recent of which is by Corporate Registration Certificate No. 0102325399 dated 1 August 2018. The Business Registration Certificate, the Corporate Registration Certificate and updates were issued by Hanoi Department of Planning and Investment.

**Investment Registration Certificate No.** 2357762445 30 December 2016

The Investment Registration Certificate was issued by the Board of Management of Saigon Hi-Tech Park and is valid for 50 years from the date of the Investment Registration Certificate.

<b>Board of Management</b>	Nguyen Thanh Ha	Chairwoman
	Nguyen Thi Phuong Thao	Vice Chairwoman
	Nguyen Thanh Hung	Vice Chairman
	Chu Viet Cuong	Member
	Luu Duc Khanh	Member
	Dinh Viet Phuong	Member
	Donal Boylan	Member

<b>Board of Directors</b>	Nguyen Thi Phuong Thao	Chief Executive Officer
	Luu Duc Khanh	Managing Director
	Nguyen Duc Tam	Vice President
	Luong The Phuc	Vice President
	Dinh Viet Phuong	Vice President
	Nguyen Thi Thuy Binh	Vice President
	To Viet Thang	Vice President
	Ho Ngoc Yen Phuong	Vice President
	Nguyen Duc Thinh	Vice President
	Tran Hoai Nam	Vice President
	Do Xuan Quang	Vice President
Nguyen Thanh Son	Vice President	

**VietJet Aviation Joint Stock Company**  
**Corporate Information (continued)**

<b>Supervisory Board</b>	Tran Duong Ngoc Thao Doan Thu Huong Pham Van Dau	Head of the Board Member Member
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<b>Registered Office</b>	302/3 Kim Ma Street Ngoc Khanh Ward, Ba Dinh District Hanoi City Vietnam
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<b>Auditor</b>	KPMG Limited Vietnam
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**VietJet Aviation Joint Stock Company**  
**Statement of the Board of Directors**

The Board of Directors of VietJet Aviation Joint Stock Company (“the Company”) presents this statement and the accompanying separate interim financial statements of the Company for the twelve-month period ended 31 December 2019.

The Board of Directors is responsible for the preparation and fair presentation of the separate interim financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting. In the opinion of the Board of Directors:

- (a) the separate interim financial statements set out on pages 4 to 42 give a true and fair view of the unconsolidated financial position of the Company as at 31 December 2019, and of the unconsolidated results of operations and the unconsolidated cash flows of the Company for the twelve-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting; and
- (b) at the date of this statement, there are no reasons to believe that the Company will not be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorized these accompanying separate interim financial statements for issue.

On behalf of the Board of Directors

Nguyen Thi Phuong Thao  
*Chief Executive Officer*  
(Signed)

Ho Chi Minh City, 30 January 2020

**VietJet Aviation Joint Stock Company**  
**Separate balance sheet as at 31 December 2019**

**Form B 01a – DN**  
*(Issued under Circular No. 200/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	31/12/2019 VND	1/1/2019 VND
<b>ASSETS</b>				
<b>Current assets</b> <b>(100 = 110 + 120 + 130 + 140 + 150)</b>	<b>100</b>		<b>21,545,202,561,849</b>	<b>16,727,030,230,311</b>
<b>Cash and cash equivalents</b>	<b>110</b>	<b>4</b>	<b>6,067,897,210,420</b>	<b>7,156,359,241,738</b>
Cash	111		3,815,640,457,972	3,640,399,241,738
Cash equivalents	112		2,252,256,752,448	3,515,960,000,000
<b>Short-term financial investments</b>	<b>120</b>		<b>435,000,000,000</b>	<b>815,500,000,000</b>
Trading securities	121	<b>5(a)</b>	990,000,000,000	990,000,000,000
Allowance for diminution in the value of trading securities	122		(555,000,000,000)	(174,500,000,000)
Held-to-maturity investments	123		-	-
<b>Accounts receivable – short-term</b>	<b>130</b>		<b>13,913,240,875,234</b>	<b>7,931,509,214,723</b>
Accounts receivable from customers	131		3,334,187,094,292	1,220,013,565,836
Prepayments to suppliers	132	<b>6(a)</b>	148,421,808,021	129,927,091,931
Loans receivable	135			
Other short-term receivables	136	<b>7(a)</b>	10,430,631,972,921	6,581,568,556,956
<b>Inventories</b>	<b>140</b>	<b>8</b>	<b>683,568,930,196</b>	<b>468,729,305,585</b>
<b>Other current assets</b>	<b>150</b>		<b>445,495,545,999</b>	<b>354,932,468,265</b>
Short-term prepaid expenses	151	<b>12(a)</b>	382,337,666,788	299,977,931,225
Taxes receivable from State Treasury	153	<b>14(b)</b>	63,157,879,211	54,954,537,040

*The accompanying notes are an integral part of these separate interim financial statements*

**VietJet Aviation Joint Stock Company**  
**Separate balance sheet as at 31 December 2019 (continued)**

**Form B 01a – DN**  
*(Issued under Circular No. 200/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	31/12/2019 VND	1/1/2019 VND
<b>Long-term assets</b> (200 = 210 + 220 + 240 + 250 + 260)	<b>200</b>		<b>20,923,279,009,570</b>	<b>19,955,201,908,719</b>
<b>Accounts receivable – long-term</b>	<b>210</b>		<b>12,933,831,793,185</b>	<b>10,575,666,223,835</b>
Prepayments to suppliers	212	<b>6(b)</b>	701,500,000,000	701,500,000,000
Other long-term receivables	216	<b>7(b)</b>	12,232,331,793,185	9,874,166,223,835
<b>Fixed assets</b>	<b>220</b>		<b>1,293,657,364,736</b>	<b>1,645,095,006,520</b>
Tangible fixed assets	221	<b>9</b>	1,291,535,060,453	1,642,189,535,533
<i>Cost</i>	222		<i>1,555,953,176,100</i>	<i>1,934,434,945,327</i>
<i>Accumulated depreciation</i>	223		<i>(264,418,115,647)</i>	<i>(292,245,409,794)</i>
Intangible fixed assets	227	<b>10</b>	2,122,304,283	2,905,470,987
<i>Cost</i>	228		<i>29,907,717,155</i>	<i>29,077,618,155</i>
<i>Accumulated amortisation</i>	229		<i>(27,785,412,872)</i>	<i>(26,172,147,168)</i>
<b>Long-term work in progress</b>	<b>240</b>		<b>1,258,529,071,537</b>	<b>1,175,977,845,586</b>
Construction in progress	242	<b>11</b>	1,258,529,071,537	1,175,977,845,586
<b>Long-term financial investments</b>	<b>250</b>		<b>224,973,206,218</b>	<b>77,424,629,818</b>
Investments in subsidiaries	251		9,000,000,000	9,000,000,000
Investments in associates	252		209,417,024,400	60,000,000,000
Equity investments in other entities	253	<b>5(b)</b>	6,000,000,000	7,868,448,000
Held-to-maturity investments	255		556,181,818	556,181,818
<b>Other long-term assets</b>	<b>260</b>		<b>5,212,287,573,894</b>	<b>6,481,038,202,960</b>
Long-term prepaid expenses	261	<b>12(b)</b>	5,212,287,573,894	6,481,038,202,960
<b>TOTAL ASSETS</b> (270 = 100 + 200)	<b>270</b>		<b>42,468,481,571,419</b>	<b>36,682,232,139,030</b>

*The accompanying notes are an integral part of these separate interim financial statements*

**VietJet Aviation Joint Stock Company**  
**Separate balance sheet as at 31 December 2019 (continued)**

**Form B 01a – DN**  
*(Issued under Circular No. 200/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	31/12/2019 VND	1/1/2019 VND
<b>RESOURCES</b>				
<b>LIABILITIES (300 = 310 + 330)</b>	<b>300</b>		<b>35,951,213,529,758</b>	<b>30,422,594,983,854</b>
<b>Current liabilities</b>	<b>310</b>		<b>22,629,019,845,724</b>	<b>20,326,158,485,235</b>
Accounts payable to suppliers	311	13	1,404,739,131,207	913,707,485,181
Advances from customers	312		725,581,455,476	731,957,225,384
Taxes payable to State Treasury	313	14(a)	409,876,703,116	204,303,773,014
Accrued expenses	315	15	1,287,089,972,410	1,911,683,033,277
Unearned revenue	318	16	3,142,617,836,248	2,732,382,333,601
Other short-term payables	319	17	5,493,431,669,711	6,963,402,316,712
Short-term borrowings	320	18(a)	8,159,193,678,187	4,957,780,032,953
Provisions – short-term	321	19	2,006,489,399,369	1,910,942,285,113
<b>Long-term liabilities</b>	<b>330</b>		<b>13,322,193,684,034</b>	<b>10,096,436,498,619</b>
Other long-term payables	337		5,636,355,880	5,658,606,820
Long-term borrowings	338	18(b)	3,663,768,092,217	572,231,674,577
Deferred tax liabilities	341	20	483,356,264,172	374,787,926,130
Provisions – long-term	342	19	9,169,432,971,765	9,143,758,291,092
<b>EQUITY (400 = 410)</b>	<b>400</b>		<b>6,517,268,041,661</b>	<b>6,259,637,155,176</b>
<b>Owners' equity</b>	<b>410</b>	<b>21</b>	<b>6,517,268,041,661</b>	<b>6,259,637,155,176</b>
Share capital	411		5,416,113,340,000	5,416,113,340,000
Share premium	412		245,949,492,805	245,949,492,805
Treasury bonds			(2,347,121,362,620)	-
Retained profits	421		3,202,326,571,476	597,574,322,371
<b>TOTAL RESOURCES (440 = 300 + 400)</b>	<b>440</b>		<b>42,468,481,571,419</b>	<b>36,682,232,139,030</b>

30 January 2020

Prepared by:

Approved by:

Hoang Manh Ha  
*Chief Accountant*

(Signed)

Ho Ngoc Yen Phuong  
*Vice President cum  
Chief Financial Officer*

(Signed)

Luu Duc Khanh  
*Managing Director*

(Signed)

*The accompanying notes are an integral part of these separate interim financial statements*

**VietJet Aviation Joint Stock Company**  
**Separate statement of income for the fourth quarter 2019**

**Form B 01a – DN**  
*(Issued under Circular No. 200/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	Quarter IV		Twelve-month period ended	
			Current year VND	Previous year VND	31/12/2019 VND	31/12/2018 VND
<b>Revenue from sales of goods and provision of services</b>	<b>01</b>	<b>24</b>	<b>10,500,214,973,423</b>	<b>8.401.428.715.859</b>	<b>41,097,524,338,360</b>	<b>33,866,663,626,058</b>
<b>Cost of sales</b>	<b>11</b>	<b>25</b>	<b>9,452,060,607,699</b>	<b>7.461.467.772.548</b>	<b>36,056,198,124,866</b>	<b>29,081,230,936,008</b>
<b>Gross profit (20 = 01 - 11)</b>	<b>20</b>		<b>1,048,154,365,724</b>	<b>939.960.943.311</b>	<b>5,041,326,213,494</b>	<b>4,785,432,690,050</b>
Financial income	21	26	669,778,487,306	218.040.286.794	1,430,530,413,908	317,974,861,113
Financial expenses	22	27	187,357,497,010	233.000.911.900	980,084,582,727	917,353,597,510
<i>In which: Interest expense</i>	23		<i>110,283,896,254</i>	<i>67,547,194,766</i>	<i>351,417,652,590</i>	<i>257,505,446,656</i>
Selling expenses	25	28	332,235,394,741	280.039.653.856	1,164,676,266,939	868,275,625,696
General and administration expenses	26	29	132,761,889,825	94.980.393.786	422,057,125,583	278,263,940,261
<b>Net operating profit {30 = 20 + (21 - 22) - (25 + 26)}</b>	<b>30</b>		<b>1,065,578,071,454</b>	<b>549.980.270.563</b>	<b>3,905,038,652,153</b>	<b>3,039,514,387,696</b>
Other income	31		669,802,844,394	658.766.607	986,078,996,455	5,872,706,313
Other expenses	32		662,929,132,924	22.442.821	954,654,601,723	107,090,542
<b>Results of other activities (40 = 31 - 32)</b>	<b>40</b>		<b>6,873,711,470</b>	<b>636,323,786</b>	<b>31,424,394,732</b>	<b>5,765,615,771</b>
<b>Accounting profit before tax (50 = 30 + 40)</b>	<b>50</b>		<b>1,072,451,782,924</b>	<b>550.616.594.349</b>	<b>3,936,463,046,885</b>	<b>3,045,280,003,467</b>
<b>Income tax expense – current</b>	<b>51</b>	<b>30</b>	<b>159,918,930,692</b>	<b>39.808.362.614</b>	<b>681,531,125,738</b>	<b>253,461,727,751</b>
<b>Income tax expense – deferred</b>	<b>52</b>	<b>30</b>	<b>104,737,324,896</b>	<b>385.034.150.331</b>	<b>108,568,338,042</b>	<b>227,241,605,086</b>
<b>Net profit after tax (60 = 50 - 51 - 52)</b>	<b>60</b>		<b>807,795,527,336</b>	<b>125.774.081.404</b>	<b>3,146,363,583,105</b>	<b>2,564,576,670,630</b>

30 January 2020

Prepared by:

Approved by:

Hoang Manh Ha  
*Chief Accountant*

Ho Ngoc Yen Phuong  
*Vice President cum*  
*Chief Financial Officer*

Luu Duc Khanh  
*Managing Director*

*The accompanying notes are an integral part of these separate interim financial statements*



**VietJet Aviation Joint Stock Company**  
**Separate statement of cash flows for the financial period ended 31 December 2019**  
**(Indirect method)**

**Form B 01a – DN**  
*(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

Code	Quarter IV		Twelve-month period ended		
	Current year VND	Previous year VND	31/12/2019 VND	31/12/2018 VND	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
<b>Accounting profit before tax</b>	<b>01</b>	<b>1,072,451,782,924</b>	<b>550,616,594,349</b>	<b>3,936,463,046,885</b>	<b>3,045,280,003,467</b>
<b>Adjustments for</b>					
Depreciation and amortisation	02	(43,397,355,380)	34,253,566,758	76,775,843,714	146,219,233,505
Allowances and provisions	03	110,000,000,000	31,350,000,000	380,500,000,000	174,500,000,000
Unwinding discount of provisions	03	-	266,427,888,597	-	434,733,395,693
Exchange losses arising from revaluation of monetary items denominated in foreign currencies	04	(21,690,882,408)	(267,287,176,454)	187,765,714,835	50,614,755,161
Profits from investing activities	05	(63,909,393,524)	-	(449,176,037,180)	-
Interest income		-	(45,246,075,718)	-	(208,253,201,298)
Dividend income	05	(565,020,000,000)	-	(716,686,380,532)	(2,832,636,000)
Profits from disposal subsidiaries		-	-	-	(16,271,500,000)
Write-off fixed assets		-	-	-	10,506,525,264
Interest expense	06	110,283,896,254	67,547,194,760	351,417,652,590	257,505,446,656
<b>Operating profit before changes in working capital</b>	<b>08</b>	<b>598,718,047,866</b>	<b>637,661,992,292</b>	<b>3,767,059,840,312</b>	<b>3,892,002,022,448</b>
Change in receivables	09	770,404,565,153	(326,351,323,368)	(3,954,801,588,041)	(4,120,317,632,175)
Change in inventories	10	(93,993,334,491)	(103,973,774,951)	(214,839,624,611)	(201,547,786,085)
Change in payables and other liabilities	11	(836,859,572,348)	3,845,028,890,537	(1,612,795,458,889)	3,641,557,158,774
Change in prepaid expenses	12	646,494,798,213	254,799,543,156	1,186,390,893,503	2,077,145,525,269
		<b>1,084,764,504,393</b>	<b>4,307,165,327,666</b>	<b>(828,985,937,726)</b>	<b>5,288,839,288,231</b>
Interest paid	14	(105,787,771,591)	(75,849,227,696)	(319,072,740,454)	(254,235,592,773)
Income tax paid	15	-	(90,000,000,000)	(191,000,000,000)	(108,000,000,000)
<b>Net cash flows from operating activities</b>	<b>20</b>	<b>978,976,732,802</b>	<b>4,141,316,099,970</b>	<b>(1,339,058,678,180)</b>	<b>4,926,603,695,458</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Payments for additions to fixed assets and other long-term assets	21	(248,368,068,153)	(1,989,500,007,427)	(1,175,500,380,744)	(798,424,965,557)
Deposits to purchase aircrafts, net cash flows	21	(830,666,442,935)	2,167,787,017,024	(2,410,035,573,876)	1,545,988,562,283
Payments for term deposits at banks, loans receivable and corporate bonds	23	-	-	(6,000,000,000)	-
Receipts from collection of corporate bonds	24	-	-	-	-
Payments for investments in other entities	25	-	-	(141,548,576,400)	(1,132,840,350,000)
Receipts of interests	27	255,640,768,865	49,524,366,950	435,202,111,533	206,055,648,390
Receipt of dividends		7,500,000,000	-	10,332,636,000	2,832,636,000
<b>Net cash flows from investing activities</b>	<b>30</b>	<b>(815,893,742,223)</b>	<b>227,811,376,547</b>	<b>(3,287,549,783,487)</b>	<b>(176,388,468,884)</b>

*The accompanying notes are an integral part of these separate interim financial statements*

**VietJet Aviation Joint Stock Company**  
**Separate statement of cash flows for the financial period ended 31 December 2019**  
**(Indirect method)**

**Form B 01a – DN**  
*(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

Code	Quarter IV		Twelve-month period ended		
	This year VND	Previous year VND	31/12/2019 VND	31/12/2018 VND	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Proceeds from short-term borrowings	33	9,607,499,294,181	7,465,345,016,404	34,561,431,031,877	33,529,973,247,843
Payments of Treasury Stock			- (2,347,121,362,620)		-
Proceeds from Bonds& Long term loans	33	2,555,300,000,000	-	3,155,300,000,000	-
Payments to settle loan principals	34	(9,593,549,836,723)	(9,554,794,940,931)	(31,428,901,592,906)	(35,527,608,459,899)
Payments of dividends	36	-	(14,112,916,000)	(541,611,334,000)	(2,016,955,829,400)
<b>Net cash flows from financing activities</b>	<b>40</b>	<b>2,569,249,457,458</b>	<b>(2,103,562,840,527)</b>	<b>(3,399,096,742,351)</b>	<b>(4,014,591,041,456)</b>
<b>Net cash flows during the period (50 = 20 + 30 + 40)</b>	<b>50</b>	<b>2,732,332,448,037</b>	<b>2,265,564,635,990</b>	<b>(1,227,511,719,316)</b>	<b>735,624,185,118</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>60</b>	<b>3,158,567,685,835</b>	<b>4,882,290,833,583</b>	<b>7,156,359,241,738</b>	<b>6,436,910,324,903</b>
<b>Effect of exchange rate fluctuations on cash and cash equivalents</b>	<b>61</b>	<b>176,997,076,548</b>	<b>8,503,772,165</b>	<b>139,049,687,998</b>	<b>(16,175,268,283)</b>
<b>Cash and cash equivalents at the end of the period (70 = 50 + 60 + 61)</b>	<b>70</b>	<b>6,067,897,210,420</b>	<b>7,156,359,241,738</b>	<b>6,067,897,210,420</b>	<b>7,156,359,241,738</b>

30 January 2020

Prepared by:

Approved by:

Hoang Manh Ha  
*Chief Accountant*

Ho Ngoc Yen Phuong  
*Vice President cum  
Chief Financial Officer*

Luu Duc Khanh  
*Managing Director*

*The accompanying notes are an integral part of these separate interim financial statements*

**VietJet Aviation Joint Stock Company**  
**Notes to the separate interim financial statements for the financial period ended**  
**31 December 2019**

**Form B 09a – DN**  
*(Issued under Circular No. 200/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

These notes form an integral part of and should be read in conjunction with the accompanying separate interim financial statements.

**1. Reporting entity**

**(a) Ownership structure**

VietJet Aviation Joint Stock Company (“the Company”) is a joint stock company incorporated in Vietnam.

**(b) Principal activities**

The principal activities of the Company are to provide passenger and cargo transportation services on domestic and international air routes, and aviation related support services.

**(c) Normal operating cycle**

The normal operating cycle of the Company is generally within 12 months.

**(d) Company’s structure**

As at 31 December 2019, the Company had 4,827 employees (1/1/2019: 3,853 employees).

**2. Basis of preparation**

**(a) Statement of compliance**

These separate interim financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting. The Company prepares and issues its consolidated interim financial statements separately. For a comprehensive understanding of the Company’s consolidated financial position, its consolidated results of operations and its consolidated cash flows, these separate interim financial statements should be read in conjunction with the consolidated interim financial statements.

**(b) Basis of measurement**

The separate interim financial statements, except for the separate statement of cash flows, are prepared on the accrual basis using the historical cost basic. The separate statement of cash flows is prepared using the indirect method.

**VietJet Aviation Joint Stock Company**  
**Notes to the separate interim financial statements for the financial period ended**  
**31 December 2019 (continued)**

**Form B 09a – DN**  
*(Issued under Circular No. 200/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

**(c) Annual accounting period**

The annual accounting period of the Company is from 1 January to 31 December.

**(d) Accounting and presentation currency**

The Company's accounting currency is Vietnam Dong ("VND"), which is also the currency used for the separate interim financial statements presentation purpose.

**3. Summary of significant accounting policies**

The following significant accounting policies have been adopted by the Company in the preparation of these separate interim financial statements.

**(a) Foreign currency transactions**

Transactions in currencies other than VND during the period have been translated into VND at rates approximating actual rates of exchange ruling at the transaction dates.

Monetary assets and liabilities denominated in currencies other than VND, except for items hedged by financial instruments, are translated into VND at the average of the account transfer buying rates and selling rates at the end of the accounting period quoted by the commercial bank where the Company most frequently conducts transactions.

All foreign exchange differences are recorded in the separate statement of income.

**(b) Cash and cash equivalents**

Cash comprises cash balances and call deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

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**(c) Investments**

**(i) Trading securities**

Trading securities are those held by the Company for trading purpose i.e. purchased for resale with the aim of making profits over a short period of time. Trading securities are initially recognised at cost which include purchase price plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at cost less allowance for diminution in value. An allowance is made for diminution in value of trading securities if market price of the securities item falls below its carrying amount. The allowance is reversed if the market price subsequently increases after the allowance was recognised. An allowance is reversed only to the extent that the securities' carrying amount does not exceed the carrying amount that has been determined if no allowance had been recognised.

**(ii) Held-to-maturity investments**

Held-to-maturity investments are those that the Company's Board of Directors has the intention and ability to hold until maturity. Held-to-maturity investments include term deposits at banks, investments in business cooperation contracts and loans receivable. These investments are stated at costs less allowance for doubtful debts.

**(iii) Investments in subsidiaries and associates**

For the purpose of these separate interim financial statements, investments in subsidiaries and associates are initially recognised at cost which include purchase price plus any directly attributable transaction costs. Subsequent to initial recognition, these investments are stated at cost less allowance for diminution in value. An allowance is made for diminution in investment value if the investee has suffered a loss, except where such loss was anticipated by the Company's Board of Directors before making the investment. The allowance is reversed if the investee subsequently made a profit that offsets the previous loss for which the allowance had been made. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that would have been determined if no allowance had been recognised.

**(iv) Investments in equity instruments of other entities**

Investments in equity instruments of other entities are initially recognised at cost which include purchase price plus any directly attributable transaction costs. Subsequent to initial recognition, these investments are stated at cost less allowance for diminution in value. An allowance is made for diminution in investment value if the investee has suffered a loss, except where such loss was anticipated by the Company's Board of Directors before making the investment. The allowance is reversed if the investee subsequently made a profit that offsets the previous loss for which the allowance had been made. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that would have been determined if no allowance had been recognized.

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**(d) Accounts receivable**

Trade and other receivables are stated at cost less allowance for doubtful debts.

**(e) Maintenance reserves of leased aircrafts**

Under the terms of its aircraft operating lease agreements, the Company is legally and contractually responsible for maintenance and repair of the leased aircrafts throughout the lease period and is also required to make maintenance reserves with the lessors. The maintenance reserves are recorded as other short-term and long-term receivables when there is no significant uncertainty regarding recovery of the reimbursement from lessors. Maintenance reserves made to lessors are typically calculated based on a performance measure, such as flight hours or cycles, and are contractually required to be reimbursed to the Company upon the completion of the required maintenance of the leased aircraft including replacement of life limited parts, engine performance restoration, airframe major structural inspection, landing gear overhaul and auxiliary power unit (APU) heavy repair. If there are excess amounts on maintenance reserves at the expiration of the leases, the lessors are entitled to retain such excess amounts.

**(f) Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes all costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price of inventory items, less the estimated costs of completion and direct selling expenses.

The Company applies the perpetual method of accounting for inventories.

**(g) Tangible fixed assets**

**(i) Cost**

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises its purchase price, including import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition for its intended use. Manufacturers' discounts for purchases of tangible fixed assets, if any, are deducted from the value of the related asset. Expenditure incurred after tangible fixed assets have been put into operation, such as repairs and maintenance and overhauls cost, is charged to the separate statement of income in the period in which the cost is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of tangible fixed assets beyond their originally assessed standard of performance, the expenditure is capitalized as an additional cost of tangible fixed assets.

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**(ii) Depreciation**

Depreciation is computed on a straight-line basis over the estimated useful lives of tangible fixed assets. The estimated useful lives are as follows:

▪ aircraft and components	10 – 20 years
▪ machinery and equipment	3 – 10 years
▪ office equipment	3 – 5 years
▪ motor vehicles	6 years

**(h) Intangible fixed assets**

***Software***

Cost of acquiring new software, which is not an integral part of the related hardware, is capitalised and treated as an intangible asset. Software is amortised on a straight-line basis over 3 years.

**(i) Construction in progress**

Construction in progress represents the costs of construction and acquiring aircrafts which have not been fully completed. No depreciation is provided for construction in progress during the period of construction.

**(j) Long-term prepaid expenses**

**(i) Major inspection and overhaul expenditure**

Major inspection and overhaul expenditure for leased aircrafts are deferred and amortised over the shorter of the period to the next major inspection event and the remaining term of the lease.

**(ii) Rotable parts**

Rotable parts which have estimated useful lives of more than 1 year are recorded in long-term prepaid expenses and amortised on a straight-line basis over their estimated useful lives but not exceeding 3 years.

**(iii) Tools and instruments**

Tools and instruments include assets held for use by the Company in the normal course of business whose costs of individual items are less than VND30 million and therefore not qualified for recognition as fixed assets under prevailing regulations. Cost of tools and instruments are amortised on a straight-line basis over a period from 2 to 5 years.

**(k) Trade and other payables**

Trade and other payables are stated at their costs.

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**(I) Provisions**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

**(i) Provisions for maintenance costs in the scope of maintenance reserves**

**Policy applicable in the separate financial statements for the year ended 31 December 2019**

According to the aircraft leasing agreements between the Company and its lessors and the requirements of Vietnam Aviation Authority, the Company has to perform the routine maintenance and periodic maintenance for leased aircrafts based on its own Maintenance Planning Development which was constructed based on the guidance of airline manufacturers. Routine maintenance will be performed at the Company's cost while the periodic maintenance will be covered by maintenance reserves. The provisions for all maintenance expenses in the scope of maintenance reserves is determined by discounting the expected future costs of maintenance for the leased aircrafts, having regard to the current fleet plan. During the period of leasing, the estimated costs are recorded in provisions with the corresponding debit to long-term prepaid expenses. The estimated costs in long-term prepaid expenses are amortised on the basis of flight hours or cycles to the next maintenance event. If effect of time value of money is material, unwinding discount of the provisions is recorded as financial expenses.

**Policy applicable in the separate interim financial statements for the twelve-month period ended 31 December 2019**

According to the aircraft leasing agreements between the Company and its lessors and the requirements of Vietnam Aviation Authority, the Company has to perform the routine maintenance and periodic maintenance for leased aircrafts based on its own Maintenance Planning Development which was constructed based on the guidance of airline manufacturers. Routine maintenance will be performed at the Company's cost while the periodic maintenance will be covered by maintenance reserves. The provisions for maintenance expenses in the scope of the maintenance reserves, except for engine performance restoration and auxiliary power unit heavy repair, is determined by discounting the expected future costs of maintenance for the leased aircrafts, having regard to the current fleet plan. During the period of leasing, the estimated costs are recorded in provisions with the corresponding debit to long-term prepaid expenses. The estimated costs in long-term prepaid expenses are amortised on the basis of flight hours or cycles to the next maintenance event. If effect of time value of money is material, unwinding discount of the provisions is recorded as financial expenses.

The estimated costs of engine performance restoration and auxiliary power unit heavy repair are accrued and charged to the separate statement of income over the estimated period between maintenance events using the ratios of actual flying hours or cycles and estimated flying hours or cycles between maintenance events.

The change in accounting policy did not have significant impact to separate balance sheet as at 1 January 2020 and separate statements of income and cash flows for the twelve-month period ended 31 December 2019.



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**(ii) Provisions for cost to make good on leased assets**

With respect to aircraft operating lease agreements where the Company is required to return the aircraft with adherence to certain maintenance conditions, cost to make good on leased assets is estimated at the inception of the lease based on the present value of the future expected costs at the expiration of the lease in order for the Company to meet the conditions for the return of the aircraft to the lessors, including certain levels of maintenance as well as arranging for final test flights, inspection, custom and deregistration costs, removal of the Company's modifications, if any and return of the aircraft to a specified location. At the inception of the lease, the estimated cost is recorded in provisions with the corresponding debit to long-term prepaid expenses. The estimated costs in long-term prepaid expenses are amortised on a straight-line basis over the term of the leases. If effect of time value of money is material, unwinding discount of the provisions is recorded as financial expenses.

**(m) Share capital**

**(i) Ordinary shares**

Ordinary shares are recognised at issuance price less incremental costs directly attributable to the issue of ordinary shares, net of tax effects. Such costs are recognised as a deduction from share premium.

**(ii) Shares premium**

The difference between proceeds from issuance of shares over the par value is recorded in share premium.

**(n) Taxation**

Income tax on the profit or loss for the period comprises current and deferred tax. Income tax is recognised in the separate statement of income except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted at the end of the accounting period, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the end of the accounting period.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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**(o) Revenue and other income**

**(i) Passenger transportation**

Revenue from passenger transportation is recognised in the separate statement of income when the transportation is provided or when the ticket expires. The value of unused passenger tickets and miscellaneous charges is recorded in current liabilities as unearned revenue. Non-refundable tickets generally expire on the date of the intended flight, unless the date is extended by notification from the customer on or before the intended flight date. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due. Revenue of passenger transportation is recognised at the net amount after deducting sales discounts stated on the invoice.

**(ii) Regular – Block seat and Charter flights**

Revenue from block seat and charter flights is recognised in the separate statement of income when the services are provided. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due.

**(iii) Ancillary revenue**

Ancillary revenue includes cargo transportation, baggage service, other revenue related to passenger transportation, sale of in-flight and duty free merchandise, advertising and commission. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods or services.

Revenue from cargo transportation is recognised in the separate statement of income when the services are provided.

Revenue from baggage service is recognised in the separate statement of income when the related passenger transportation service is provided or when the ticket expires.

Other revenue related to passenger transportation such as fees charged in association with changes or extensions to non-refundable tickets is recorded as ancillary revenue at the time the fee is earned. Amendment fees related to non-refundable tickets are considered a separate transaction from the passenger transportation and they are recognised in the separate statement of income when charged to passengers.

Sales of in-flight and duty free merchandise is recognised in the separate statement of income when the significant risks and rewards of ownership have been transferred to the buyers.

Advertising revenue and commission are recorded as ancillary revenue at the time the fee is earned.

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**(iv) Aircrafts leasing**

Revenue from aircrafts leasing is recognised in the separate statement of income on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total lease revenue.

**(v) Sales of purchase right option**

Revenue from the sales of non-refundable purchase right option is recognised in consolidated statement of income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of purchase right option.

**(vi) Other services**

Revenue from services rendered is recognised in the separate statement of income in proportion to the stage of completion of the transaction at the end of the accounting period. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due.

**(vii) Interest income**

Interest income is recognised on the time proportion basis with reference to the principal outstanding and the applicable interest rate.

**(viii) Dividend income**

Dividend income is recognised when the right to receive dividend is established. Share dividends are not recognised as income. Dividends received which are attributable to the period before investment acquisition dates are deducted from the carrying amount of the investment.

**(p) Borrowing costs**

Borrowing costs are recognised as an expense in the period in which they are incurred, except where the borrowing costs relate to borrowings in respect of the construction of qualifying assets, in which case the borrowing costs incurred during the period of construction are capitalised as part of the cost of the assets concerned.

**(q) Operating lease payments**

Payments made under operating leases are recognised in the separate statement of income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the separate statement of income as an integral part of the total lease expense.

**(r) Related parties**

Parties are considered to be related to the Company if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions, or where the Company and the other party are subject to common control or significant influence. Related parties may be individuals or corporate entities and include close family members of any individual considered to be a related party.

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**4. Cash and cash equivalents**

	<b>31/12/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
Cash on hand	13,361,985,071	7,979,150,266
Cash in banks	3,802,278,472,901	3,632,420,091,472
Cash equivalents	2,252,256,752,448	3,515,960,000,000
	<hr/>	<hr/>
	<b>6,067,897,210,420</b>	<b>7,156,359,241,738</b>
	<hr/>	<hr/>

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**5. Cash and cash equivalents**

	<b>31/12/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
Cash on hand	13,361,985,071	7,979,150,266
Cash in banks	3,802,278,472,901	3,632,420,091,472
Cash equivalents	2,252,256,752,448	3,515,960,000,000
	<hr/>	<hr/>
	<b>6,067,897,210,420</b>	<b>7,156,359,241,738</b>
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**VietJet Aviation Joint Stock Company**  
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**6. Investments**

**(a) Trading securities**

	31/12/2019		1/1/2019	
	% of equity owned voting right	VND	% of equity owned voting right	VND
The investment in securities as follow:				
PetroVietnam Oil Corporation		990,000,000,000	4.59%	990,000,000,000
Allowance for diminution in value		(555,000,000,000)		(174,500,000,000)
		<b>435,000,000,000</b>		<b>815,500,000,000</b>

**(b) Equity investments in other entities**

	31/12/2019		1/1/2019	
	% of equity owned/voting right	VND	% of equity owned/voting right	VND
<b>Equity investments in subsidiaries</b>				
▪ VietjetAir Cargo Joint Stock Company	90%	9,000,000,000	90%	9,000,000,000
▪ Vietjet Air IVB No. I Limited	100%	-	100%	-
▪ Vietjet Air IVB No. II Limited	100%	-	100%	-
▪ Vietjet Air Singapore Pte. Ltd.	100%	-	100%	-
▪ Vietjet Air Ireland No. 1 Limited	100%	-	100%	-
		9,000,000,000		9,000,000,000
<b>Equity investments in associates</b>				
▪ Thai Vietjet Air Joint Stock Company Limited	9%	-	9%	-
▪ Cam Ranh International Terminal Joint Stock Company	10%	60,000,000,000	10%	60,000,000,000
		60,000,000,000		60,000,000,000
<b>Equity investments in other entity</b>				
▪ Sai Gon Ground Services Joint Stock Company	9.1%	149,417,024,400	4%	7,868,448,000

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Principal activities of subsidiaries and associates are described as follows:

<b>Name</b>	<b>Note</b>	<b>Country of incorporation</b>	<b>Business Registration Certificate</b>	<b>Principal activities</b>
<i>Subsidiaries</i>				
VietjetAir Cargo Joint Stock Company	(a)	Vietnam	No. 0312759089 dated 27 August 2014	To provide cargo transportation and related support services.
Vietjet Air IVB No. I Limited	(a)	British Virgin Islands	No. 1825671 dated 27 May 2014	To trade and lease aircrafts.
Vietjet Air IVB No. II Limited	(a)	British Virgin Islands	No. 1825613 dated 27 May 2014	To trade and lease aircrafts.
Vietjet Air Singapore Pte. Ltd.	(a)	Singapore	No. 201408849N dated 27 March 2014	To trade aircrafts.
Vietjet Air Ireland No. 1 Limited	(a)	Ireland	No. 544879 dated 3 June 2014	To trade and lease aircrafts.
<i>Associates</i>				
Thai Vietjet Air Joint Stock Company Limited	(a)/(b)/(c)	Thailand	No. 0105556100551 dated 25 June 2013	To provide transportation and transfer of goods and passengers and other related services.
Cam Ranh International Terminal Joint Stock Company	(b)	Vietnam	No. 4201676638 dated 5 February 2016	To provide support services for aviation transportation.

- 
- (a) As at 31 December 2019, the Company has not yet contributed capital in these subsidiaries and associates. These companies' operations are mainly financed by the Company.
- (b) The Company has significant influence over these companies because the Company has right to appoint members of the Board of Management of these companies.

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**(c) Held-to-maturity investments**

	<b>31/12/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
Short-term		
▪ Term deposits at banks	6,000,000,000	-
▪ Business co-operation contract	556,181,818	556,181,818

**7. Prepayments to suppliers**

**(a) Prepayments to suppliers – short-term**

	<b>31/12/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
Prepayments for engine repair services	1,904,586,903	86,093,582,599
Prepayments for office rentals	14,081,212,929	-
Others	132,436,008,189	43,833,509,332
	<b>148,421,808,021</b>	<b>129,927,091,931</b>

**(b) Prepayments to suppliers – long-term**

	<b>31/12/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
Business co-operation contract	701,500,000,000	701,500,000,000

Prepayments to suppliers – long-term represented the Company’s contribution to develop an office and residential complex building in 18E Cong Hoa, Ward 4, Tan Binh District, Ho Chi Minh City in accordance with Contract No. 01/2016/VJA-TDĐB with Thuy Duong – Duc Binh Commercial Joint Stock Company. The Company will receive 15,547 m<sup>2</sup> office area and 13,409 m<sup>2</sup> residential area and use these areas as the Company’s office and dormitory upon completion of the project. As at 31 December 2019, the amounts due from Thuy Duong – Duc Binh Commercial Jsc were earned interest at rate of 9% per annum during the construction in progress.



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**8. Other receivables**

**(a) Other short-term receivables**

	Note	31/12/2019 VND	1/1/2019 VND
Deposits for aircraft purchases within next 12 months		4,967,653,816,840	3,475,240,954,627
Maintenance reserves of leased aircrafts		2,078,881,774,817	1,184,688,761,520
Expenses paid on behalf of Thai Vietjet Air Joint Stock Company Limited		1,515,422,451,489	836,386,005,056
Purchase discounts receivable		189,687,704,950	229,106,136,065
Claim receivables from maintenance reserves of leased aircrafts		282,879,455,806	237,582,261,399
Cabin Modification			5,959,839,053
Interest income		21,427,953,425	9,651,580,686
Deposits for other services		146,666,382,966	218,304,289,580
Related parties		95,620,489,824	202,473,647,883
Others		1,132,391,942,804	182,175,081,087
		<b>10,430,631,972,921</b>	<b>6,581,568,556,956</b>

- (i) The amounts due from the associate were unsecured, unearned interest during the period and are receivable on demand.

**(b) Other long-term receivables**

	Note	31/12/2019 VND	1/1/2019 VND
Maintenance reserves of leased aircrafts		6,636,966,256,692	5,569,947,708,015
Deposits for aircraft purchases after next 12 months		3,325,059,893,890	2,407,437,182,227
Deposits for aircraft leases		1,259,435,665,075	1,083,546,542,276
Related parties		468,344,946,987	764,094,946,987
Other long-term receivables		542,525,030,541	49,139,844,330
		<b>12,232,331,793,185</b>	<b>9,874,166,223,835</b>

**9. Inventories**

	31/12/2019		1/1/2019	
	Cost VND	Allowance VND	Cost VND	Allowance VND
Tools and supplies	681,463,967,327	-	461,585,964,571	-
Merchandise inventories	2,104,962,869	-	7,143,341,014	-
	<b>683,568,930,196</b>	<b>-</b>	<b>468,729,305,585</b>	<b>-</b>

**VietJet Aviation Joint Stock Company****Notes to the separate interim financial statements for the financial period ended 31 December 2019**

(continued)

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	<b>Aircraft and components VND</b>	<b>Machinery and equipment VND</b>	<b>Office equipment VND</b>	<b>Motor vehicles VND</b>	<b>Total VND</b>
<b>Cost</b>					
Opening balance at 01.01.2019	1,869,439,499,382	22,488,636,024	23,967,643,445	18,539,166,476	1,934,434,945,327
Additions during the period	554,512,998,640	1,952,339,600	1,479,473,031	-	644,301,914,264
Transfer from construction in progress	-	-	-	-	-
Write off	(936,426,580,498)	-	-	-	(936,426,580,498)
Closing balance at 31.12.2019	<b>1,487,525,917,524</b>	<b>24,440,975,624</b>	<b>25,447,116,476</b>	<b>18,539,166,476</b>	<b>1,555,953,176,100</b>
<b>Accumulated depreciation</b>					
Opening balance at 01.01.2019	248,308,137,207	16,562,626,105	13,399,564,434	13,975,082,048	292,245,409,794
Charge for the period	59,575,155,473	10,897,253,061	2,633,516,487	2,046,664,322	75,152,589,343
Write off	(90,361,190,217)	-	-	-	(90,361,190,217)
Transfer to other receivables	-	(12,618,693,273)	-	-	(12,618,693,273)
Closing balance at 31.12.2019	<b>217,522,102,463</b>	<b>14,841,185,893</b>	<b>16,033,080,921</b>	<b>16,021,746,370</b>	<b>264,418,115,647</b>
Opening balance at 01.01.2019	1,621,131,362,175	5,926,009,919	10,568,079,011	4,564,084,428	1,642,189,535,533
Closing balance at 31.12.2019	1,270,003,815,061	9,599,789,731	9,414,035,555	2,517,420,106	1,291,535,060,453

Included in the cost of tangible fixed assets were assets costing VND 24,363 million which were fully depreciated as at 31 December 2019 (1/1/2019: VND24,363 million), but which are still in active use.

As at 31 December 2019, tangible fixed assets with carrying value of VND736,746 million (1/1/2019: VND781,624 million) were pledged as security for borrowings granted by Military Commercial Joint Stock Bank to the Company.

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**11. Intangible fixed assets**

	<b>Software</b> <b>VND</b>
<b>Cost</b>	
Opening balance at 01.01.2019	29,077,618,155
Additions during the period	1,129,759,000
Adjustment	(299,660,000)
Closing balance at 31.12.2019	<b>29,907,717,155</b>
<b>Accumulated amortisation</b>	
Opening balance at 01.01.2019	26,172,147,168
Charge for the period	1,623,254,371
Adjustment	(9,988,667)
Closing balance at 31.12.2019	<b>27,785,412,872</b>
<b>Net book value</b>	
Opening balance at 01.01.2019	2,905,470,987
Closing balance at 31.12.2019	<b>2,122,304,283</b>

Included in the cost of intangible fixed assets was assets costing VND 20.637 million which were fully amortised as at 31 December 2019 (1/1/2019: VND20,627 million), but which are still in active use.

**12. Construction in progress**

	<b>31/12/2019</b> <b>VND</b>	<b>1/1/2019</b> <b>VND</b>
Opening balance	1,175,977,845,586	193,431,223,060
Additions during the period	644,301,914,264	1,566,189,996,094
Transfer to tangible fixed assets	(322,325,297,750)	(267,427,465,457)
Transfer to other short-term receivables	(65,275,476,876)	(316,215,908,111)
Reclassify	280,657,652,363	-
Closing balance	<b>1,258,529,071,537</b>	<b>1,175,997,845,586</b>

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**13. Prepaid expenses**

**(a) Short-term prepaid expenses**

	<b>31/12/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
Prepayments for aircraft leases	355,790,339,276	280,592,905,482
Prepayments for maintenance expenses	23,297,293,809	19,375,890,925
Others	3,250,033,703	9,134,818
	<hr/>	<hr/>
	<b>382,337,666,788</b>	<b>299,977,931,225</b>
	<hr/>	<hr/>

**VietJet Aviation Joint Stock Company****Notes to the separate interim financial statements for the financial period ended 31 December 2019 (continued)**

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	<b>Maintenance costs VND</b>	<b>Costs to make good on leased assets VND</b>	<b>Major inspection and overhaul expenditure VND</b>	<b>Rotable parts, tools and instruments VND</b>	<b>Total VND</b>
Opening balance	5,720,653,521,463	565,982,665,674	108,437,500,275	85,964,515,548	6,481,038,202,960
Additions during the period	1,846,527,194,536	106,033,114,881	112,170,829,985	95,797,209,900	2,160,528,349,302
Charge for the period	(1,456,951,950,406)	(72,688,618,984)	(117,452,214,704)	(66,907,337,132)	(1,714,000,121,226)
Written off	(1,706,186,897,909)	(9,091,959,233)	-	-	(1,715,278,857,142)
Closing balance	<b>4,404,041,867,684</b>	<b>590,235,202,338</b>	<b>103,156,115,556</b>	<b>114,854,388,316</b>	<b>5,212,287,573,894</b>

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**14. Accounts payable to suppliers – short-term**

**Accounts payable to suppliers detailed by significant suppliers**

	<b>31/12/2019</b> <b>Cost/Amount</b> <b>within repayment</b> <b>capacity</b> <b>VND</b>	<b>1/1/2019</b> <b>Cost/Amount</b> <b>within repayment</b> <b>capacity</b> <b>VND</b>
Petrolimex Aviation Fuel Joint Stock Company	320,692,413,580	358,790,499,261
Other suppliers	1,084,046,717,627	554,916,985,920
	<hr/> <b>1,404,739,131,207</b> <hr/>	<hr/> <b>913,707,485,181</b> <hr/>

**15. Taxes****(a) Taxes payable to State Treasury**

	<b>1/1/2019 VND</b>	<b>Incurred VND</b>	<b>Paid VND</b>	<b>Netted-off VND</b>	<b>Reclassified VND</b>	<b>31/12/2019 VND</b>
Value added tax	67,172,238,551	1,647,128,136,939	(333,920,254,368)	(1,349,807,068,657)	-	30,573,052,465
Personal income tax	30,199,147,844	1,104,803,882,050	(1,081,249,129,621)	-	-	53,753,900,273
Foreign contractor tax	-	90,966,860,291	(91,083,964,441)	-	8,203,342,171	8,086,238,021
Corporate income tax	106,932,386,619	681,531,125,738	(471,000,000,000)	-	-	317,463,512,357
	<b>204,303,773,014</b>	<b>3,524,430,005,018</b>	<b>(1,977,253,348,430)</b>	<b>(1,349,807,068,657)</b>	<b>8,203,342,171</b>	<b>409,876,703,116</b>

**(b) Taxes receivable from State Treasury**

	<b>1/1/2019 VND</b>	<b>Incurred VND</b>	<b>Paid VND</b>	<b>Netted-off VND</b>	<b>Reclassified VND</b>	<b>31/12/2019 VND</b>
Value added tax	-	1,349,807,068,657	-	(1,349,807,068,657)	-	-
Foreign contractor tax	54,954,537,040	-	-	-	8,203,342,171	63,157,879,211
Corporate income tax	-	-	-	-	-	-
	<b>54,954,537,040</b>	<b>1,349,807,068,657</b>	<b>-</b>	<b>(1,349,807,068,657)</b>	<b>8,203,342,171</b>	<b>63,157,879,211</b>

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**16. Accrued expenses**

	<b>31/12/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
Aircraft related expenses	1,072,721,163,206	1,585,492,948,464
Maintenance expenses	110,238,456,182	137,923,043,709
13 <sup>th</sup> month salary	64,078,982,423	44,139,020,226
Interest expense	37,953,919,036	8,878,860,783
Others	2,097,451,563	135,249,160,095
	<b>1,287,089,972,410</b>	<b>1,911,683,033,277</b>

**17. Unearned revenue**

	<b>31/12/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
Passenger and ancillary services revenue received in advance, to be realised within next 12 months	3,142,617,836,248	2,732,382,333,601

**18. Other short-term payables**

	<b>31/12/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
Airport tax payables	1,054,454,791,926	959,306,960,036
Short-term deposits received	360,170,148,813	487,358,535,248
Related parties	3,702,044,596,719	5,392,933,059,658
Consulting fees payable to Sovico Holding		7,306,110,821
Dividends payable to shareholders	57,789,721,550	59,290,521,050
Others	318,972,410,703	57,207,129,899
	<b>5,493,431,669,711</b>	<b>6,963,402,316,712</b>

The amounts due to the related parties were unsecured, interest free and are payable on demand,



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	<b>1/1/2019</b>	<b>Movements during the period</b>			<b>31/12/2019</b>
	<b>Carrying amount/ Amount within repayment capacity VND</b>	<b>Additions VND</b>	<b>Repayments VND</b>	<b>Revaluation VND</b>	<b>Carrying amount/ Amount within repayment capacity VND</b>
Short-term borrowings	4,892,447,982,953	24,953,931,737,696	(21,756,157,685,798)	3,639,593,336	8,093,861,628,187
Current portion of long-term borrowings	65,332,050,000	65,332,050,000	(65,332,050,000)	-	65,332,050,000
	<b>4,957,780,032,953</b>	<b>24,986,243,077,696</b>	<b>(21,821,489,735,798)</b>	<b>3,639,593,336</b>	<b>8,159,193,678,187</b>

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Terms and conditions of short-term borrowings were as follows:

<b>Lenders</b>	<b>Currency</b>	<b>31/12/2019 VND</b>	<b>1/1/2019 VND</b>
<b>Secured loans</b>			
Ho Chi Minh City Development Joint Stock Commercial Bank, a related party			
Loan 1	USD	1,366,643,484,671	1,224,380,942,780
Vietnam Joint Stock Commercial Bank for Industry and Trade (“Vietinbank”)			
Loan 2	USD	2,398,451,410,411	-
<b>Unsecured loans</b>			
Joint Stock Commercial Bank for Investment and Development of Vietnam			
Loan 3	VND	899,694,699,335	1,378,354,608,081
Military Commercial Joint Stock Bank			
Loan 4	VND	111,839,508,677	1,364,639,205,779
Loan 5	VND	179,840,708,009	-
BNP Paribas Bank			
Loan 6	VND	54,799,909,203	-
Maritime Bank			
Loan 7	USD	268,808,055,678	-
HSBC Bank (Vietnam) Ltd			
Loan 8	VND	950,427,034,104	22,484,736,412
Citibank, N.A., Ho Chi Minh City Branch			
Loan 9	VND	483,399,422,787	317,121,228,150
Joint Stock Commercial Bank for Foreign Trade of Vietnam			
Loan 10	VND	498,769,230,200	-
JP Morgan Chase Singapore			
Loan 11	USD	134,342,641,635	-
Techcombank , Ho Chi Minh City			
Loan 12	VND	77,838,567,353	-
Wooribank Vietnam Ltd, Ho Chi Minh City			
Loan 13	VND	617,544,457,880	-
United Overseas Bank, Ho Chi Minh Branch			
Loan 14	VND	51,529,456,152	135,467,261,751
Satona Financial Investment Joint Stock Company, a related party			
Loan 15	VND	-	150,000,000,000

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Sunflower Sunny Investment Company  
Limited, a related party  
Loan 16

VND - 300,000,000,000

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**8,093,861,628,187 4,892,447,982,953**

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**(b) Long-term borrowings**

Terms and conditions of long-term borrowings were as follow:

	<b>Currency</b>	<b>Annual interest rate</b>	<b>Year of maturity</b>	<b>31/12/2019 VND</b>	<b>1/1/2019 VND</b>
Millitary					
Commercial		LIBOR 6			
Joint Stock Bank	USD	months + 2,7%	2017-2028	3,729,100,142,217	637,563,724,577
Repayable within 12 months				(65,332,050,000)	(65,332,050,000)
Repayable after 12 months				<b>3,663,768,092,217</b>	<b>572,231,674,577</b>

Original principal of this loan at 31 December 2019 is repayable in 24 equal semi-annual instalments of USD1,4 million (equivalent to VND33 billion) each and a final instalment of USD1,5 million (equivalent to VND35 billion) on 13 June 2028,

Detail of asset pledged as security for this loan was as follows:

	<b>31/12/2019 VND</b>	<b>1/1/2019 VND</b>
Aircraft No, A320 MSN7167, VNA675	736,746,185,075	781,624,125,287

	<b>Currency</b>	<b>Year of maturity</b>	<b>31/12/2019 VND</b>	<b>01/01/2019 VND</b>
Worribank Vietnam Limited	USD	2021	110,000,000	-

	<b>1/1/2019 Carrying amount VND</b>	<b>Additions VND</b>	<b>Repayments VND</b>	<b>31/12/2019 Carrying amount VND</b>
Non-convertible Bond	-	600,000,000,000	-	600,000,000,000
	-	600,000,000,000	-	600,000,000,000

Bond issued in Vietnam Dong are non-convertible, not accompanied by warrants, without collateral, and issued separately under the Government's Decree No. 163/18 / ND-CP of December 4, 2018. Bond interest will be paid later; in which the payment interest will be paid every 6 months.

- Bond name: BONDVJC / 2019.01
- Number of issues: 6,000,000
- Par value: VND 100,000 / bond
- Issuing price: 100% of par value
- Total issuance value: VND 600,000,000,000
- Term: 3 years from the date of issue
- Issuance date: July 26, 2019

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**20. Provisions**

Movements of provisions during the period were as follows:

	<b>Provision for maintenance expenses VND</b>	<b>Provision to make good on leased assets VND</b>	<b>Total VND</b>
Opening balance	10,251,477,067,489	803,223,508,716	11,054,700,576,205
Provision made during the period	3,092,965,134,283	106,033,114,881	3,198,998,249,164
Financial Expense	(25,495,858,676)	-	(25,495,858,676)
Utilization during the period	(864,324,172,767)	-	(864,324,172,767)
Written off	(2,227,552,847,088)	(11,967,930,373)	(2,239,520,777,461)
Diminution of value		51,564,354,669	51,564,354,669
<b>Closing balance</b>	<b>10,227,069,323,241</b>	<b>948,853,047,893</b>	<b>11,175,922,371,134</b>
Short-term	2,006,489,399,369	-	2,006,489,399,369
Long-term	8,220,579,923,872	948,853,047,893	9,169,432,971,765
	<b>10,227,069,323,241</b>	<b>948,853,047,893</b>	<b>11,175,922,371,134</b>

**21. Deferred tax liabilities**

	<b>31/12/2019 VND</b>	<b>1/1/2019 VND</b>
Deferred tax assets:		
Provisions	2,235,184,474,227	2,210,940,115,241
Accrued expenses	38,065,045,146	43,733,453,444
<b>Total deferred tax assets</b>	<b>2,273,249,519,373</b>	<b>2,254,673,568,685</b>
Deferred tax liabilities:		
Long-term prepaid expenses	(998,855,414,004)	(1,257,327,237,428)
Maintenance reserves of leased aircrafts	(1,743,169,606,301)	(1,350,927,293,907)
Unrealised foreign exchange gains	(14,580,763,240)	(21,206,963,480)
<b>Total deferred tax liabilities</b>	<b>(2,756,605,783,545)</b>	<b>(2,629,461,494,815)</b>
<b>Net deferred tax liabilities</b>	<b>(483,356,264,172)</b>	<b>(374,787,926,130)</b>

**VietJet Aviation Joint Stock Company**

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**22. Changes in owners' equity**

	Share capital VND	Share premium VND	Treasury Bonds	Retained profits VND	Total VND
<b>Balance as at 1 January 2018</b>	<b>4,513,432,840,000</b>	<b>245,949,492,805</b>	-	<b>921,587,387,741</b>	<b>5,680,969,720,546</b>
Shares dividends issued	902,686,568,000	-	-	(902,686,568,000)	-
Cash Dividends	-	-	-	(1,985,909,236,000)	(1,985,909,236,000)
Net profit for the period	-	-	-	2,564,576,670,630	2,564,576,670,630
<b>Balance as at 1 January 2019</b>	<b>5,416,113,340,000</b>	<b>245,949,492,805</b>	-	<b>597,574,322,371</b>	<b>6,259,637,155,176</b>
Cash Dividends	-	-	-	-	-
Net profit for the period	-	-	-	2,604,752,249,105	2,604,752,249,105
Treasury Bonds	-	-	(2,347,121,362,620)	-	(2,347,121,362,620)
<b>Balance as at 31 December 2019</b>	<b>5,416,113,340,000</b>	<b>245,949,492,805</b>	<b>(2,347,121,362,620)</b>	<b>3,202,326,571,476</b>	<b>6,517,268,041,661</b>

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**23. Share capital**

The Company's authorized and issued share capital is:

	<b>31/12/2019</b>	<b>1/1/2019</b>
	<b>Number of shares</b>	<b>Number of shares</b>
<b>Authorised share capital</b>		
Ordinary shares	541,611,334	541,611,334
<hr/>		
<b>Issued share capital</b>		
Ordinary shares	541,611,334	541,611,334
<hr/>		
<b>Treasury Share</b>		
Ordinary shares	(17,772,740)	-
<hr/>		
<b>Shares in circulation</b>		
Ordinary shares	<b>523,838,594</b>	<b>541,611,334</b>
<hr/>		

All ordinary shares have a par value of VND10,000, Each share is entitled to one vote at meetings of the Company, Shareholders are entitled to receive dividend as declared from time to time, All ordinary shares are ranked equally with regard to the Company's residual assets,

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**24. Dividends**

On 8 April 2019, the Company's Board of Management resolved to distribute cash dividends amounting to VND542 billion (six-month period ended 30 June 2018: VND903 billion),

**VietJet Aviation Joint Stock Company**

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**25. Revenue from sales of goods and provision of services**

	<b>Quarter IV 2019 VND</b>	<b>Quarter IV 2018 VND</b>
Passenger transportation revenue	5,268,840,416,755	5,749,801,394,742
Ancillary revenue	3,091,184,420,582	2,375,353,964,305
Other revenue	2,140,190,136,086	276,273,356,812
	<b><u>10,500,214,973,423</u></b>	<b><u>8,401,428,715,859</u></b>

**26. Cost of sales**

	<b>Quarter IV 2019 VND</b>	<b>Quarter IV 2018 VND</b>
Flight operation expenses	8,664,763,594,231	7,146,352,933,385
Depreciation and Amortization	774,680,228,713	313,630,650,347
Others	12,616,784,755	1,484,188,816
	<b><u>9,452,060,607,699</u></b>	<b><u>7,461,467,772,548</u></b>



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**27. Financial income**

	<b>Quarter IV 2019 VND</b>	<b>Quarter IV 2018 VND</b>
Interest income	63,909,393,524	45,246,075,718
Realised foreign exchange gains	32,841,360,936	168,575,166,907
Dividend income	565,020,000,000	4,219,044,169
Others	8,007,732,846	-
	<b>669,778,487,306</b>	<b>218,040,286,794</b>

**28. Financial expenses**

	<b>Quarter IV 2019 VND</b>	<b>Quarter IV 2018 VND</b>
Unwinding discount of provisions	-	266,427,888,597
Interest expense	110,283,896,254	67,547,194,766
Allowance for diminution in the value of trading securities	110,000,000,000	-
Unrealised foreign exchange losses	(50,198,865,580)	(145,806,445,924)
Realised foreign exchange gain	17,272,466,336	13,482,274,461
Other	-	-
	<b>187,357,497,010</b>	<b>233,000,911,900</b>

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**29. Selling expenses**

	<b>Quarter IV 2019</b>	<b>Quarter IV 2018</b>
	<b>VND</b>	<b>VND</b>
Sales expenses	177,213,453,294	166,464,891,722
Advertising and marketing expenses	90,765,605,352	87,038,631,357
Staff costs	21,080,747,060	23,085,788,643
Depreciation and amortisation	64,163,308	59,733,583
Other	43,111,425,727	3,390,608,551
	<b>332,235,394,741</b>	<b>280,039,653,856</b>

**30. General and administration expenses**

	<b>Quarter IV 2019</b>	<b>Quarter IV 2018</b>
	<b>VND</b>	<b>VND</b>
Staff costs	41,422,750,100	33,451,639,423
Rental expenses	6,014,556,410	6,570,231,889
Depreciation and amortisation	7,828,922,548	596,879,648
Insurance expenses	-	27,404,455
Others	77,495,660,767	54,334,238,371
	<b>132,761,889,825</b>	<b>94,980,393,786</b>

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**Form B 09a – DN**  
*(Issued under Circular No. 200/2014/TT-BTC dated 22  
December 2014 of the Ministry of Finance)*

**31. Income tax**

**(a) Recognised in the separate statement of income**

	<b>Quarter IV 2019</b>	<b>Quarter IV 2018</b>
	<b>VND</b>	<b>VND</b>
<b>Current tax expense</b>	<b>159,918,930,692</b>	<b>39,808,362,614</b>
Current period	159,918,930,692	39,808,362,614
<b>Deferred tax expense</b>	<b>104,737,324,896</b>	<b>385,034,150,331</b>
Origination and reversal of temporary differences	104,737,324,896	385,034,150,331
<b>Income tax expense</b>	<b>264,656,255,588</b>	<b>424,842,512,945</b>

**(b) Applicable tax rates**

For public passenger and cargo air transportation services, under the terms of current income tax regulations and income tax laws, the Company has an obligation to pay the government income tax at the rate of 20% of taxable profits for the first 10 years starting from the first year of operation and at usual income tax rate for the succeeding years. The current tax regulations also allow the Company to be exempt from income tax for 2 years starting from the first year it generates a taxable profit (2014) and entitled to a 50% reduction in income tax for the 3 succeeding years (2016, 2017 and 2018),

For other activities, under the terms of current income tax regulations, the Company has an obligation to pay the government income tax at usual income tax rate. The usual income tax rate applicable to the Company before any incentives is 20% of taxable profits,

30 January 2020

Prepared by:

Approved by:

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*Chief Accountant*

Ho Ngoc Yen Phuong  
*Vice President cum  
Chief Financial Officer*

Luu Duc Khanh  
*Managing Director*